

FEDERAL AGENCIES ENGAGED IN ACTIVITIES CONCERNED WITH
CONSUMER STANDARDS AND COMMODITY INFORMATION

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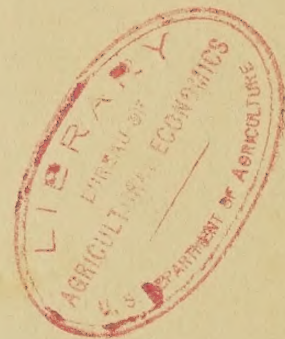
Prepared

by

S. P. Maidanovsky
Chief, Standards Section

Consumers' Project

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Addenda

Since preparation of this report in 1937 information, not included herein, has been obtained showing additional work is being done on standards for consumer goods by the following:

U. S. Treasury, Procurement Division.

Department of the Interior, Office of Indian Affairs.

Veterans Administration.

Farm Security Administration.

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BUREAU OF AGRICULTURAL ECONOMICS

U. S. DEPARTMENT OF AGRICULTURE

The Bureau of Agricultural Economics, Department of Agriculture, has formulated standards for practically all farm products and does considerable grading and inspection for quality based on these standards.

The standardized grades for products of most importance to ultimate consumers may be summarized as follows:

BUTTER: Graded according to score; although 13 grades are recognized, scoring from 75 to above 95, the butter ordinarily sold scores around 90-93; certificates of quality are authorized for use in retail packages of butter that is government graded as 92 and 93 score.

CHEESE: Graded according to six standard grades with a corresponding score for each, U. S. Extra Fancy, score 95 or above; U. S. Fancy, score 92-94; U. S. No. 1, score 89-91; U. S. No. 2, score 86-88; U. S. No. 3, score 83-85; and Culls, scoring below 83. The cheese commonly sold at retail scores 90-92.

CANNED FRUITS AND VEGETABLES: (30 standards and tentative standards); For most products three quality grades above Sub-standard, which is low grade, but not illegal. Grades are: U. S. Grade A or Fancy; U. S. Grade B or Extra Standard or Choice; and U. S. Grade C, or Standard. A large proportion of canned goods sold will grade C. These grades which have been established for canned fruits and vegetables are purely advisory in character, and their use is voluntary. However, during the last year or so more and more canned goods are being labeled for grade. One concern alone placed such labels on over 170 million cans during the last year.

DRESSED POULTRY: For each class of poultry four grades: U. S. Special or Grade AA; U. S. Prime or Grade A; U. S. Choice or Grade B; and U. S. Commercial or Grade C. The common grades sold at retail are U. S. Prime and U. S. Choice.

EGGS: Three principal grades; U. S. Special or Retail Grade AA; U. S. Extra or Retail Grade A; U. S. Standard or Retail Grade B; also U. S. Trade Grade.

FRESH FRUITS AND VEGETABLES: Apples, potatoes, and in general some 50 other fresh fruits and vegetables are graded; U. S. Fancy; U. S. No. 1; U. S. Commercial; and U. S. No. 2. (All four grade names are not found for every fruit and vegetable.)

HONEY: Four grades: U. S. Fancy; U. S. No. 1; U. S. No. 2; and U. S. Export.

MEATS: Standard grades have been established for seven qualities, the first five of which have been regularly stamped for consumers: Prime; Choice; Good; Medium; Plain (previously Common); Cutter; and Low Cutter. The bulk of the meat offered the consumer is included in the three grades - Good, Medium, and Plain (previously Common) For Processed meats there is one grade, U. S. No. 1.

Other standards promulgated for agricultural commodities not so directly of importance to the consumer relate to grains, cotton, wool, and tobacco.

Methods of grading for many commodities vary greatly as each commodity has its own peculiarities. Grade names are not similar for all commodities. Grade terms in many instances are those used for years in the wholesale trade. Nevertheless, the Bureau of Agricultural Economics is endeavoring to use such nomenclature in grades for commodities in their "finished " form as will reflect to the consumer in concise, readily understood terms (such as "Grade A," etc.) the actual grade of the product, and its relative position

in the scale of grades (or qualities). A casual examination of the names of the top grades for the products listed above will disclose a considerable variation in nomenclature. At the present time most of the official standards for quality are for use in the wholesale markets but some are applicable to retail markets and consumer use. Outstanding examples of the latter are the official grades for canned fruits and vegetables, meats, and dairy and poultry products. (*)

(*) National Standards for Farm Products, Circular No. 8, United States Department of Agriculture, pp#. 13 et seq.

Meat inspection for healthfulness of product, not grading, is done by the Bureau of Animal Industry, and inspection of food products to determine compliance with the Food and Drugs Act comes under the Food and Drug Administration, both under the Department of Agriculture.

THE BUREAU OF FISHERIES
U. S. DEPARTMENT OF COMMERCE

In connection with its program of bringing to the attention of the consumer the value of fish and fish products in the diet, the Bureau of Fisheries sponsors in cooperation with State Departments and the fishing industry, a varied line of educational activities. Included among these are lectures and demonstrations before women's clubs, civic organizations, high schools, community meetings, exhibits at fairs, newspaper recipe contests, and study projects in grammar schools.

The Bureau of Fisheries also has a technical staff which carries on research directed toward the development of methods to maintain the quality of food fishes, as well as to improve methods for their production, preservation, and handling until they reach the consumer.

Such investigations in the Bureau have covered studies of the food value of fish and shellfish to determine their place in the diet. This has included determination of the vitamin, mineral, and protein content of these products. It has also included the development of new methods and the improvement of existing methods for salting, canning, and freezing of fishery products.

The Bureau has been conducting studies over a period of years to develop safe technique for the canning of fish in the home or community kitchen, and has issued bulletins on this work. It makes available to consumers of fish, information on the sources of supply, seasons when available, trends in production, in some cases on market stocks and prices, and other data which will enable the housewife to buy fish and shellfish more economically.

BUREAU OF HOME ECONOMICS
U. S. DEPARTMENT OF AGRICULTURE

The Bureau of Home Economics of the Department of Agriculture devotes its entire resources of money and personnel to the solution of consumption problems for the benefit of consumers. To this end, it engages in research on numerous lines. It regularly includes in its program the study of economic problems of the home from the standpoint of the homemaker and consumer, with a view to improving conditions of family living by promoting a wise use of the family income. It also includes in its work the study of foods, human nutrition, textiles, clothing, household equipment and furnishings.

The bureau research is directed toward assisting the consumer in the solution of this four-fold problem. First, it helps the consumer to decide what to consume, what types of goods and services will best meet his needs and give him the greatest satisfaction. Second, it helps him make decisions as to how to allocate his funds to the different consumer goods and services which he has chosen. Third, it helps him to purchase effectively his consumption goods and services. Fourth, it helps him care for and use goods purchased so that they will give maximum consumption values.

An expert knowledge of the consumption value of goods and services is made available to housewives who are the family purchasing agents of the country, by the publication of bulletins on

specific subjects, by radio talks, reports in the press and in scientific journals. The Bureau studies grades and standards and seeks to promote informative labeling and grading of products in order that the consumer may have the means of choosing the grade of material applicable to the use for which it is purchased.

The growing recognition of the importance of consumer buying problems as reflected in Bureau correspondence led to the preparation of a bulletin entitled Present Guides for Household Buying, published in 1934 and brought up-to-date in 1936. This is a compilation of the grading systems and specifications that now exist for consumer goods and are available for the assistance of household buyers. A manuscript now in preparation will bring together information about grades, quality specifications, and labels for food products, as well as general information of value to the buyer in selecting foods.

When interpreted in popular terms, many of the findings of technical studies in foods and nutrition contribute to consumer education. For example, the results of research on the vitamin and mineral content of different foods, coupled with information from studies on food composition and on the adequacy of diets provide guides for the family to use in making wise choices for the diet at any cost level. Studies on the utilization of new food products and on new ways of using familiar foods afford consumer education.

A comprehensive study of factors that affect meat quality, in which the Bureau has cooperated with other bureaus of the Department and with various experiment stations, is an example of basic research that paves the way for setting up quality guides for the consumer. The Bureau has made a significant contribution to the work of a Departmental committee studying bread quality through a consumer-preference method of judging flavor. A number of varieties of seedling potatoes have been studies for table quality to determine varietal selection in the breeding work being carried on by the Bureau of Plant Industry.

The Bureau has consistently advocated the use of informative labels on consumers' goods, particularly those containing specific useful information applied to textiles. In this field, as in others, studies have been undertaken to determine the qualities which will contribute most in terms of consumer use value. The results of these studies indicate what information should be placed upon labels in order to make them most helpful to the buyer. Among the important articles studies for such labeling or marking are sheets, blankets, towels and hosiery. The Bureau has also advocated standards for shrinkage of cotton fabrics. Members of the staff work on committees of the American Standards Association, the American Society for Testing Materials, and of other associations engaged in developing standards for consumers' goods.

A series of bulletins containing quality guides for buying sheets, pillowcases, bedspreads, and blankets, as well as for a few types of garments represent a specific contribution to consumer education literature. Folios of photographs illustrating the points for which to look in buying hosiery, women's coats, women's wash dresses, towels, and sheets have been prepared for lending to groups studying consumers' problems. Because of the limited number and large demand, these folios must be requested far in advance of the meeting at which they are to be used.

The Bureau has carried on pioneer work in designing children's garments that considered suitability of fabric, ease of construction and laundering, and self-help in dressing. These garments have been the basis of pattern designs manufactured by commercial pattern companies. A bulletin entitled Fabrics and Designs for Children's Clothes, now in press, brings together all of this information. A limited number of exhibits of children's garments that illustrate designs and materials suggested by the Bureau have been prepared for loan.

General dissatisfaction with the lack of standardization of sizes in patterns and garments is of long standing. The Bureau has recently undertaken leadership of a project to determine the clothing dimensions needed by children from 2 to 14 years of age.

The cooperation of colleges and universities has been enlisted. Persons trained in making scientific measurements of the human body have been employed to direct the project, and precise instruments will be used in taking about 40 measurements of each child. In order to make the results as representative as possible, approximately 100,000 children of two different economic levels will be studied: those of high- and low-income groups. Different racial groups also will be given attention to find out what, if any measurement peculiarities they have. Statisticians will analyze the data so that they will be most useful to garment and pattern manufacturers. The project is undertaking to make measurements which may be used by interested agencies in the formulation of standards for both outer- and under-clothing of children within the age range studied.

Considerable time has been spent lately in building up a body of material relative to a few types of household equipment, to take care of requests that come to the Bureau for information along this line and to be used in planning a cooperative plan of study between the Bureau and the state experiment station, leading to a series of buying guides for various pieces of household equipment. The efficiency and usefulness of different types of stoves and of refrigerators have been studied to show what factors of quality

contribute most to desirability from the consumer point of view. Study of comparative costs of different fuels will be completed this summer.

The Bureau has recently conducted a nation-wide study of the consumption of goods and services by families who live on farms, in villages, and small cities. This study was planned primarily to depict the consumption of goods and services by families of this country according to income, occupation, and family composition and was coordinated with a study of families in large cities conducted by the Bureau of Labor Statistics. Other cooperating governmental agencies are the Works Progress Administration, the National Resources Committee, and the Central Statistical Board. This study will furnish much valuable data concerning buying habits of families -- the quantities of certain articles they purchase, the amounts they pay, and the seasons when they buy. Such information will be helpful to persons planning consumer education programs, since it will indicate within what price ranges certain purchases made by consumers of given incomes may fall. These facts will help to determine within what price ranges it is most important to secure adequate labels and grades for consumers' goods.

BUREAU OF LABOR STATISTICS
U. S. Department of Labor
Washington

History and Development of Commodity Specifications
Used in the Collection of Retail Prices

The Bureau of Labor Statistics collects retail prices quarterly for use in computing changes in cost of living. In choosing the list of items to be priced, the principle is observed of including only staple goods and services.

The introduction, in March 1935, of written specifications which include details of material and construction of items priced, was the result of the general movement toward more precise statistical procedure. These specifications, which serve as a guide in the collection of prices of goods actually being sold at retail, obviously do not establish quality standards.

Prices of clothing, furniture, and other items requiring a knowledge of construction and details of manufacture are collected by personal visits of field representatives. The written specifications represent a distinct quality and the knowledge of both specifications and the practices of the retail trade enables the Bureau to limit the range of quality upon which prices are quoted.

The items upon which price data are collected by the Bureau include 100 articles of clothing and footwear for men and women, and boys and girls; 14 articles of yard goods and textile furnishings; 18 furniture and floor covering items; 22 items of household equipment and electrical appliances; and about 90 items of a miscellaneous nature, including drugs, toilet articles and tobacco items, and such services as laundries, medical and dental service, optometrists' fees, newspapers, and motion picture theatres.

The foundation of the specifications now in use by the Bureau was laid in the Summer of 1933, when the Federal Interdepartmental Retail Price Committee, organized by the Central Statistical Board and consisting of representatives of several Government agencies, developed a set of preliminary

specifications for use as a basis of price collection. These specifications were first used when some of the members of the Committee and its staff collected prices for experimental purposes in the District of Columbia and the immediate vicinity. In November 1933 the specifications were first used officially to serve as a basis for prices collected for use in computing changes in the cost of living of Federal Employees in the District of Columbia. They were then revised on the basis of the knowledge gained through this use and were next used in a price project, financed by CWA funds, in the early part of 1934. This project covered four cities. The results were used to revise the specifications further.

In June 1934, the specifications developed up to that time were used in 15 cities scattered throughout the United States to make a test collection of prices from one or two selected retailers in each city. The work was done by the field representatives of the Bureau.

During January and February 1935, all the available data were correlated and additional specifications were developed for commodities and services priced by the Bureau. The specifications written at this time were first used in the March 1935 price collection. Since that time, pricing by specification has been the policy of the Bureau in the collection of retail prices.

The revision of specifications since March 1935 has been carried on in several ways --

- (1) From comments and suggestions made by the retail distributors during the period of price collection. These are reported in writing by the Bureau's field agents and are tabulated at the close of each pricing period. The tabulations show the strength and weakness of the specifications as well as changes in goods offered for sale both as to style and fabrication.

- (2) By personal contact with manufacturers, trade associations, Government sources, and other organizations familiar with the technical details of construction of commodities, it has been possible to clarify the specifications.

The results of pricing by specification have been useful and gratifying. Many of the Bureau's cooperators in reporting retail prices, who were skeptical at the introduction of specifications, are now interested and eager to assist in the development of more useful specifications. Some have through study and market contacts, increased their knowledge of the technical details of the commodities they sell as a direct result of having their curiosity and interest stimulated by the specifications. Manufacturers and trade associations have voluntarily furnished information far beyond the requests made of them.

It is believed that the correlation of the information furnished by the retailers on the one hand and the manufacturers and trade associations on the other will result in specifications which will describe as accurately as possible the quality of commodities being sold at retail and that the use of these specifications will result in a greater degree of price comparability throughout the cities and outlets contacted by the Bureau.

Revisions will be made as market conditions warrant.

BUREAU OF MINES

U. S. DEPARTMENT OF INTERIOR

The Bureau of Mines, of the U. S. Department of the Interior, has no direct consumer protective functions assigned to it. However, this Bureau, in connection with its duties of performing research in connection with mining, preparation and utilization of minerals, promoting better production and marketing of mineral resources, and supervising all matters pertaining to safety and accidents in mines, has activities of considerable interest and benefit to the consuming public.

The Bureau of Mines performs tests on fuels, primarily for government use, and participates in the drafting of the Federal Specifications for all U.S. Government fuel requirements. In connection with these two activities the Bureau has amassed much information of direct benefit to the public, and has issued many publications which assist the consumer in the selection and efficient use of coal and other fuels.

In connection with its tests on coal, The Bureau has worked out new methods of test and analysis. Based on information gained from such tests, representatives of the Bureau, acting on several committees have assisted the American

society for Testing Materials (ASTM) in formulating a specification for the scientific classification of coal based on its heat value, ash, and chemical and physical qualities. This specification has been approved as a tentative American Standard. This Bureau also participates in preparing A.S.T.M. specifications for testing various types of oils and lubricants.

In addition to various publications which usually involve technical matters, statistical reports and surveys, or mine safety bulletins, the Bureau also issues a few pamphlets of more direct interest to the consuming public.

CONSUMERS' COUNSEL DIVISION
AGRICULTURAL ADJUSTMENT ADMINISTRATION
U. S. DEPARTMENT OF AGRICULTURE

The Consumers' Counsel Division performs a two-fold function in the Administration. It cooperates with other Divisions in the formulation and operation of the farm program. It disseminates pertinent information to consumers intended to assist them in wise and economical buying of farm products.

Cooperation in the Formulation and Operation of the Farm Program

Under its first function the staff of the Consumers' Counsel participates in economic analyses, conferences and hearings on the soil conservation program, marketing agreements and programs for the diversion of surplus farm products. In making recommendations, the Consumers' Counsel has been guided by Section 7a (5) of the Soil Conservation and Domestic Allotment Act which provides that the Act..."shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption..."

Information for Consumers

One way to help farmers to work toward stable production as a prerequisite of a sound soil conservation program is to educate consumers in intelligent selection and utilization of agricultural products. Education of consumers in buying, which

enables them to get the most possible value for their expenditures, may not only aid farmers to gauge their markets more accurately, but also may improve the demand for farm products.

A function of the Consumers' Counsel from the start has been to disseminate non-technical information on proper selection and preparation of food products, on changes in food supplies and prices, on the relative change in the price of food and other commodities, and on the costs of processing and distributing farm products. Consumers further have been informed as to the purpose and methods of agricultural adjustment under the Soil Conservation and Domestic Allotment Act.

Widespread development of study classes on consumers' problems in schools, colleges and welfare organizations during 1936 resulted in a substantial increase in the requests for assistance made to the Consumers' Counsel Division. Groups unable to find adequate material elsewhere for use in their consumer education courses turned to the Division for material. Through personal conferences and correspondence, the Division has helped these groups form study outlines. The major interest of these groups is in consumer education in general, consumers' buying standards and consumers' cooperatives.

Publication of the CONSUMERS' GUIDE

The Consumers' Guide, a biweekly publication of the Division, has been used as the major method of disseminating consumer information. Feature articles published in 1936 issues included: Forecasts for future supplies; actual consumption of food in relation to standards of adequate consumption; the effect of the drought on food supplies; preliminary findings of the citrus fruit consumption survey conducted by the Consumers' Counsel Division; income of farm and non-farm groups; food costs compared with factory pay rolls; descriptions of simple budgeting and home accounting methods; economies in food uses and new uses for foods. A special series on nutrition for children was published. Additional aids to housewives were articles on Diets to Fit the Family Income and various charts on Adequate Diets at Minimum Cost for different size families. Other articles described Government grading of meat; egg laws in 20 states; standards of various states for milk and dairy products; fruit and vegetable standards and poultry grading; the movement toward simplification of can sizes.

Detailed descriptions of the services of the National Bureau of Standards and their applicability to individual consumers' problems was given in another article. One issue devoted several

pages to the activities of the Food and Drug Administration and its methods of enforcement of Federal laws. Activities and accomplishments of farmers' and consumers' organizations, including producers' and consumers' cooperatives, and farmers' study clubs and conferences were reported. Soil conservation problems and methods were treated at length in three issues. A digest of legislation proposed and passed in the Seventy-fourth Congress and a bibliography for consumers were also special features.

Radio

The Consumers' Counsel Division, in cooperation with the General Federation of Women's Clubs, broadcasts discussions of consumer problems once a week over a national network. These broadcasts are designed to promote a better understanding of the consumers' interest in the agricultural program and to acquaint consumers with Government information and services available in helping them meet individual consumer problems.

CONSUMERS' COUNSEL - NATIONAL BITUMINOUS COAL COMMISSION

U. S. DEPARTMENT OF INTERIOR

It is obvious, in absence of special provision, that consumers occupy a weakened position as a bargaining force under any measure directed toward price or production control. Congress has recognized this in providing, in the Bituminous Coal Conservation Act of 1935, for the Office of the Consumers' Counsel, independent of the regulatory body, with a Consumers' Counsel, appointed by the President.

As defined in the basic act, it is, among other things, "The duty of the Counsel to appear in the interest of the consuming public in any proceeding before the Commission and to conduct such independent investigation of matters relative to the bituminous coal industry and the administration of this act as he may deem necessary to enable him properly to represent the consuming public in any proceeding before the Commission".

It is further provided that, "Whenever the Counsel finds that it is in the interest of the consuming public to have the Commission furnish any information at its command or conduct any investigation as to any matter within its authority then the Counsel shall so certify to the Commission, specifying in the certificate the information or investigation desired.

Thereupon the Commission shall promptly furnish to the Counsel the information or promptly conduct the investigation and place the results at the disposal of the Counsel".

Prior to the decision of the Supreme Court invalidating the regulatory features of the Act in May, 1936, numerous injunctions in the federal courts restraining the enforcement of the act greatly impeded the work of the Commission and consequently the work of the Consumers' Counsel. Nevertheless the Consumers' Counsel was represented at all formal public hearings held by the Commission and at numerous informal conferences, at which substantial records were made, forming a broad basis for appraisal of consumers interests in the various matters before the Commission -- the classification of coals, the determination of wholesale discounts, the approval of marketing agreements, and the determination of minimum prices.

Contacts have been established and are being maintained with consumers of bituminous coal and consumer organizations throughout the country, including county consumer councils and purchasing agent associations. An effort has been made, on as broad a scale as possible, to bring to the

attention of consumers the functions of the Office of the Consumers' Counsel, and the manner in which their interests are being represented before the Commission. Consumers have been informed currently as to the activities and objectives of the office, and have been invited to communicate directly with the Consumers' Counsel concerning any problems or difficulties with which they might be confronted under the administration of the act.

The Office of the Consumers' Counsel collaborated and joined with the National Bituminous Coal Commission in opposing before the Interstate Commerce Commission the application of the Class I Railroads for a continuance of the emergency freight charges on bituminous coal, I. C. C. ExParte 115, beyond their original expiration date June 30, 1936. These surcharges amounted to about \$30,000,000 on annual basis and constituted a heavy burden on a depressed industry and on consumers of bituminous coal. In this connection a joint brief was filed setting forth both the detailed factual evidence and the argument against any continuance of the freight charges on bituminous coal. These surcharges were reduced on June 30, 1936 and were finally eliminated, by order of the Interstate Commerce Commission, on December 31, 1936.

The Office is now engaged, in collaboration with the Coal Commission, in opposing the pending petition of the railroads for increased freight rates on bituminous coal, among other commodities, (ExParte 115 as reopened) which if granted, would substantially incorporate the emergency surcharges into the permanent freight rate structure. As an aid in the adequate and effective presentation of the case of bituminous coal consumers in this connection a survey is being made of the tonnage and money cost of bituminous coal purchased by 960 cities in the United States with a population over 10,000. Evidence has been submitted to the Interstate Commerce Commission showing that on the basis of incomplete returns of this survey 95 cities reported freight represented over 50% and up to 60% of their total cost of bituminous coal and 35 cities reported freight charges to have exceeded 60% of their cost. The proposed rate increases would add substantially to the cost of bituminous coal to these municipalities spending public money.

Under the recently enacted Bituminous Coal Act of 1937, the Office of the Consumers' Counsel will be represented

at hearings held by the Coal Commission for the determination of minimum prices, will examine witnesses and may introduce evidence bearing upon consumer interests in the determination of such prices. Concurrently with its participation in the administration of the act, the Office will be engaged in conducting independent investigations of matters relative to the bituminous coal industry, as they affect consumers. There will be in progress a continuing study and observation of prices in the various price areas with a view to recommending the establishment of maximum prices or modification of minimum prices, as deemed necessary. Under this Act the Consumers' Counsel shall annually make a full report of the activities of his office direct to Congress.

Consumers of bituminous coal are invited to bring their problems to the attention of the Consumers' Counsel, describing the situations and the conditions which confront them and developments which may affect them adversely, in short, make available to this office their experience and support, that it may adequately represent their interests.

CONSUMER MARKET SECTION
MARKETING RESEARCH DIVISION
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
U. S. DEPARTMENT OF COMMERCE

The primary function of the Consumer Market Section is to uncover facts that will aid producers and distributors in better covering and better serving the consumer market. It conducts research in the broad field of consumption and cooperates with consumers and their merchandising agencies by making known to each, upon request, such available information as exists concerning avoidable distribution costs which they share and help to create.

Present members of its staff have pioneered for a number of years in encouraging constructive consumer-dealer cooperation and the Section operates on the principle that an understanding based on actual facts, with respect to their mutual problems, is essential to a producer-distributor-consumer relationship of a kind that is conducive to mutual satisfaction.

The Consumer Market Section is interested in all efforts to develop standards and labels on the basis of research findings as to specific needs on the part of large numbers of consumers; as to practical abilities on the part of manufacturers; and as to feasibilities from the viewpoint of the many angles from which services must be considered in order to determine their actual value to consumers. Its studies emphasize the point that effective distribution depends upon both sound selling practices and sound buying practices.

The published report "Consumer Viewpoint on Returned Goods" (D. C. S. No. 87, Superintendent of Documents, Washington, D. C. - 5 cents) is the only Governmental report representing a large-scale effort to obtain, measure, and apply consumer viewpoint to a specific distribution problem.

The current series of reports "Consumer Use of Selected Goods and Services by Income Classes", now being issued by the Consumer Market Section, covers

approximately 330,000 families in 50 cities and shows, on the basis of data collected in 1934, what percentage of all reporting families of each income class use certain durable goods items and related products and what proportion of the total distribution of these goods in each city studied is owned or used by families of the various income classes. Further information about these studies can be obtained, by business men and consumers, direct from the Bureau of Foreign and Domestic Commerce, and copies of the reports already issued can be obtained at a nominal price.

Illustrating another type of service through furnishing basic facts designed to be reflected in benefits to the consumer, is a publication now in process of preparation (for release probably during the fall of 1937), "Outline of a City Survey (Adaptable for practical use in evaluating the industrial and commercial status of a city and possibilities for improving its position in the consumer market.)".

For information regarding other research on the 1937-38 schedule of activities of the Consumer Market Section, write to that Section or refer to current issues of "Domestic Commerce" a periodical issued three times a month by the Marketing Research Division, Bureau of Foreign and Domestic Commerce. (Price \$1.00 a year. Available for reference in many public libraries and in offices of the Bureau in principal cities.)

CONSUMERS' PROJECT

U. S. DEPARTMENT OF LABOR

On July 30, 1935, by Presidential Executive Order a new Consumers' Division was established in the National Recovery Administration. In it were consolidated the activities of three previously existing agencies: The Consumers' Advisory Board, the Consumers' Division of the National Emergency Council and the Cabinet Committee on Price Policy.

With the termination of the National Recovery Administration on January 1, 1936, the Consumers' Division was transferred to the Department of Labor. On February 1, 1936 it became the Consumers' Project of the Department of Labor.

In order to accomplish its work the Consumers' Project is organized into the following Sections:

Information and Publications

This Section handles requests for information on various questions in which consumers are interested and maintains for distribution a limited supply of some of the more important documents of interest to consumers published by various Government agencies. A list of these publications is available on request.

Consumer Legislation

The general function of this Section is to conduct research into legislative problems affecting consumers.

With the convening of the Seventy-fourth Session of Congress, the Section put into operation a legislative summary service. Bills introduced in Congress having a bearing on consumer welfare were digested and their legislative history was followed from day to day. In the summer of 1936 the results of the first congressional period of this legislative service were made available in a mimeographed publication entitled Bills and Laws Affecting Consumers.

Another important field in which the Consumer Legislation Section found opportunity to be of service was the Consumer Cooperative Movement. The following studies were prepared on legislative phases of consumer cooperation:

Consumer Cooperative Statutes in the United States, 1936.

The Legal Structure of Consumers' Cooperative Societies, A Study of Standards of Legislation and of the Present State of the Law Governing Consumers' Cooperatives, 1937.

Committee Report on Suggested Provisions for Inclusion in Any Proposed State Incorporation of Consumers' Cooperative Associations, 1937.

Staff members of the Project have assisted and are assisting in the work of other governmental agencies concerned with consumers' cooperatives -- The President's Inquiry Cooperative Enterprise in Europe; the Bureau of Labor Statistics survey of

consumer cooperatives; collaboration with the Consumers' Counsel Division of the Agricultural Adjustment Administration in the preparation of an annotated bibliography on Government publications pertaining to consumers' cooperation.

Standards Section

After the passage of the National Industrial Recovery Act, a Standards Unit was organized by the Consumers' Advisory Board of the NRA. As a result of the work of the Standards Unit approximately 245 of the 556 approved NRA Codes and some 200 supplements to those contained provisions for, or at least reference to the establishment of standards, grades and labels. The experience gained by the Standards Unit in the drafting, application and enforcement of consumer standards was brought into open discussion at the NRA Code hearings, where manufacturers, distributors and consumers were given an opportunity to freely express their opinion on the subject of consumer standards. The necessity for consumers standards was dramatized more than at any other time and it helped to educate the manufacturers and consumers in this field.

The Division of Research and Planning of National Recovery Administration, realizing the importance of standards in the economic analysis of industries, also established a Standards Unit. This Unit had cooperated with the Standards Unit of the

Consumers' Advisory Board of the NRA in fostering the formulation of consumers standards and brought to the attention of manufacturers and distributors the economic implications of standardization.

The National Bureau of Standards and the American Standards Association cooperated with both Standards Units of the NRA in supplying expert assistance and information whenever necessary, and their services were of great value.

Work of the Standards Section, Consumers' Project.

The Consumers' Project, as successor to the Consumers' Advisory Board of the NRA, is a custodian of all the valuable material on consumers standards assembled during the NRA period.

The work of its Standards Section is directed into different channels than was the work of the previously described Standards Units of the NRA. It is primarily of an educational and informative character.

The Standards Section has continued the collection and assembly of available standards and specifications on consumer goods formulated by the Federal, State and Municipal Governments; Technical and Engineering Societies, Trade Associations. Contact, interrupted after the expiration of the NRA, was reestablished

with all the above organizations. The Standards Section is supplied with their standards, specifications and test codes on consumer goods. As a result of this, up-to-date material is now available which permits the following of the development of standardization in the field of consumer commodities and the answering of questions with regard to consumer standards.

In addition to Standards and Specifications, the Standards Section is collecting and assembling all material from Governmental and other unbiased sources which tends to throw light on the selection and purchasing of commodities. This information is used in answering inquiries concerning commodity problems. The more easily available articles on commodities in various publications were summarized and listed along with material supplied by the Consumers' Counsel Division of the Agricultural Adjustment Administration in its publication Consumers' Guide in a regular section called "Consumers' Bookshelf." These and additional annotated references were brought together by subjects and will be published shortly in a special Bulletin jointly with the Consumers' Counsel Division, Agricultural Adjustment Administration.

In connection with its commodity information program the Consumers' Project has published a pamphlet entitled The Home Medicine Cabinet, giving information on the selection, cost and

use of medical supplies. This pamphlet is available free on request to Consumers' Project.

In order to meet the requests for study courses from groups studying consumer problems, the Section has undertaken the preparation, in collaboration with the Consumers' Counsel of the Agricultural Adjustment Administration, of a popularly written series covering such subjects as foods and clothing. The first one of these study courses, Consumers Look at Eggs, has already come off the press.

To assist those buyers who may desire to use the grades of the Bureau of Agricultural Economics for canned fruits and vegetables, there has been prepared in cooperation with a member of the staff of the U. S. Bureau of Agricultural Economics, an explanation of these government grades and a guide for making up a specification. This material will soon be made generally available.

The Standards Section has in preparation a Manual of Consumer Commodity Specifications. The first part of the Manual will deal with Food Products. Available specifications on consumer goods, formulated by different agencies of the Federal Government, States and Municipalities are being analyzed and the contents summarized in a standard form which could be used for comparative purposes.

A very important part of this work is a summary of parts of State Laws and the regulations made to carry out their provisions dealing with standardization and grading of fresh fruits and vegetables, dairy products, eggs, poultry, etc., and the marking and dimensions of containers in which they are sold. The summarized material for each state is being checked by the proper authorities of the respective State Departments of Agriculture.

The second part of the Manual will contain standards and specifications, test methods and summaries of technical literature having to do with textiles. The subjects covered will comprise, wherever possible, the width of goods, chemical composition, weight per square yard or lineal yards per pound, shrinkage, and color permanence to washing, light, perspiration, dry-cleaning, pressing, etc. There will be tabulations giving the standard cloth constructions for cotton, silk, rayon and woolen goods. All available Federal, State and Municipal standards will be given, as well as those recognized by the various textile trades.

The Standards Section has recently submitted to the American Standards Association a Summary of Standards, Specifications, Test Codes and Methods, and References to the Literature Pertinent to the Work of the Sub-committees of the Advisory Committee on Ultimate Consumer Goods of the American Standards Association.

The nature of the content of the available information was epitomized in condensed form. Only sections, dealing with those subjects on which sub-committees had been set up, were presented.

FEDERAL ALCOHOL ADMINISTRATION
U. S. DEPARTMENT OF THE TREASURY

The Federal Alcohol Administration Division of the Treasury Department is endowed with authority by the Federal Alcohol Administration Act to prescribe regulations governing the labeling of alcoholic beverages and the size and fill of containers, in order to prohibit deception of the consumer and to provide the consumer with adequate information as to the identity and quality of these products, the alcoholic content thereof, and with other information. Pursuant to this authority the Administration has established standards of identity for the various classes and types of distilled spirits and wines and has issued detailed regulations which not only prohibit labeling practices which might tend to mislead or deceive the consumer, but which also specify the information which must be furnished to the consumer on the labels of distilled spirits, wine, and malt beverages. The Act also prohibits the introduction into interstate commerce of alcoholic beverages which bear labels which are not covered by certificates of label approval issued by the Administration. During the year 1936, over 135,000 different labels were submitted for approval. Of these, over 50,000 were disapproved, although a great number of labels were examined in preliminary form prior to their formal submission for approval.

In addition to its supervision of labeling, the Administration exercises control over the advertising of alcoholic beverages in interstate commerce. Such control is both exclusive and inclusive, setting forth the kind of information which must be given in advertising, as well as that which is prohibited. (*)

(*) Annual Report, Federal Alcohol Administration, January 5, 1937; also Regulations Nos. 4, 5 and 7, Federal Alcohol Administration.

FEDERAL SPECIFICATIONS EXECUTIVE COMMITTEE*

U. S. DEPARTMENT OF THE TREASURY

Establishment of the Federal Specifications Executive Committee

With the installation of the Bureau of the Budget in 1921, it was considered to be desirable to prepare standardized purchase specifications for many of the commonly used articles purchased by the Federal Government, and the Federal Specifications Board was established for that purpose.

Each department and establishment purchasing materials and supplies in accordance with specifications, designated a representative to serve as a member of the Board. The Chairman ex-officio was the Director of the National Bureau of Standards.

Technical committees were formed, composed of qualified representatives from the various branches of the Government, to formulate the specifications. These specifications, after consultation with the interested industries, were submitted to the departments for comment and criticism, and after consideration of these comments the specifications were promulgated by the Federal Specifications Board

*Contributed by Mr. N. F. Harriman, Technical Assistant to the Assistant Director, Procurement Division, Treasury Department, U. S. Government, and Vice Chairman, Federal Specifications Executive Committee.

The Federal Specifications Board, along with several other activities of the Government, was abolished by the Order of the Executive Director of the National Emergency Council, dated January 24, 1935, and in lieu thereof there was established a Federal Specifications Executive Committee. This Committee functions under the jurisdiction of the Director of Procurement of the Treasury Department.

The Preparation of Federal Specifications

The duties of the Federal Specifications Executive Committee in preparing Federal Specifications are the same as formerly obtained with the Federal Specifications Board. In lieu of the members of the Federal Specifications Board, technical liaison representatives have been designated from all of the interested departments and establishments which purchase materials according to specifications.

Specifications prepared by the various technical committees are submitted by the Chairman of the Federal Specifications Executive Committee to the Director of Procurement for approval, after which they are printed as Section IV of the Federal Standard Stock Catalog, and officially promulgated for use by the various activities of the Government by the Director of Procurement.

There are now seventy-seven technical committees, covering different groups of materials.

New specifications or revisions of existing specifications are considered by the appropriate technical committee and recommendations are made to the Executive Committee for consideration and submittal to the Director of Procurement for approval.

Use of Federal Specifications

The United States Government probably buys a larger proportion of its material, supplies, and equipment to specifications than any other organization in the world. The various departments and establishments have about 11,000 specifications, the Navy and War Departments alone have about 5,500. Of course, many of these specifications may never be considered by the Federal Specifications Executive Committee, as they are used by one department alone, or they cover highly specialized or military articles. Up to the present time, April 15, 1937, 1,118 Federal Specifications have been promulgated, covering the more important commodities.

In the preparation of Federal Specifications for material, supplies, and equipment, an effort is made to bring the specifications into harmony with commercial practice wherever conditions permit, to establish uniform nomenclature, to standardize dimensions which will insure ready interchangeability of supplies and inter-working parts made by different manufacturers, and to limit the number of types, grades, and sizes of articles purchased by the Government.

Federal Specifications are continually being revised to keep them abreast of the best current manufacturing practice, and the needs of the Government.

By the use of specifications in purchasing, the method of describing articles wanted by citing the trade name or brand of some product, --- in the common phrase "so and so or equal", is eliminated. This method is objectionable in that whenever an attempt is made to purchase an article other than that of the brand cited, the purchasing officer is immediately put on the defensive as to its being the "equal." Furthermore, since it probably requires chemical analysis or physical tests to be made on samples before award is made, as well as on deliveries, if the Government's interests are to be protected, the expense for testing is doubled.

The use of standardized Federal Specifications is also reducing to a minimum the practice of buying as "standard sample." Such a practice probably limits competition and at best the comparison of the standard sample with goods delivered frequently is inconvenient, as standard samples are more or less inaccessible not only to the trade, but also to the user, and there is the possibility that they will deteriorate or change in some of their characteristics. However, there are cases where it is

admittedly necessary to have standard samples, for example, with color, finish, texture, or some characteristic that is difficult to describe in words.

The specifications promulgated by the Director of Procurement are used in connection with what is probably the largest purchasing program in the United States, and one of the largest in the world, and the variety of articles includes almost everything from hardware to hosiery, and from pig iron to provisions. About 125,000 different items are purchased and used by the various branches of the Government service.

In the preparation of Federal Specifications for Government use, the needs of the Government and the commercial products available are coordinated in a manner which is fair to and understood by both producer and the Government, and the use of these specifications has greatly simplified purchasing by the various agencies of the Federal Government.

The Federal Specifications prepared by the Federal Specifications Executive Committee and approved and promulgated by the Director of Procurement, are recognized as being a distinct accomplishment in standardization, not only in connection with Federal purchasing, but also in connection with non-Governmental activities, where they are being adopted more and more.

An Index of the various Federal Specifications
now available may be obtained by purchase from the Super-
intendent of Documents, Government Printing Office,
Washington, D. C.

FEDERAL TRADE COMMISSION

Under the Federal Trade Commission Act "unfair methods of competition in commerce" are declared unlawful and the Commission is empowered and directed to proceed in the public interest against any person, firm or corporation, except banks and carriers, to prevent their use of such unfair methods. The compulsory action which may be taken is the issuance of orders of cease and desist, which orders are enforceable in the courts.

False labeling, false advertising and other forms of misrepresentation in interstate commerce are definitely determined by decisions of the Commission and the courts to fall within the phrase: "unfair methods of competition." In determining the false or misleading character of labels, advertisements or representations of products, the protection of the purchaser and consumer are very important considerations.

At the request and with the cooperation of Industry the Federal Trade Commission issues Trade-practice Conference Rules. These Rules are subdivided into two groups: Group I and Group II.

Rules of the Group I express matters of law and consequently are obligatory. Other rules adopted by the Industry, and received by the Commission as expressions of the trade on the subjects covered, are classified as Group II.

Standards of quality, standard labeling requirements are included in several Trade Practice Conference Rules. The majority of the above standards where misrepresentation or deception is not involved, are placed in Group II. Standards set up in Trade Practice Conference Rules relative to silk weighting and the rules for the Preserve Manufacturing Industry, both of interest to consumers, are contained in Group I, and are obligatory.

On the other hand, provisions relating to misrepresentation of products are classified in Group I, and some of them condemned by industry in Group II.

From 1919 to 1936, the number of Trade Practice Conferences containing Trade Practice Conference Rules dealing with product standards, labeling requirements, and misrepresentation of products, are as follows:

Product Standards	8 in Group I and 27 in Group II
Labeling Requirements	6 in Group I and 22 in Group II
Misrepresentation of products	25 in Group I and 3 in Group II
Misrepresentation of Services	19 in Group I and none in Group II
Inaccurate or Deceptive Advertising	55 in Group I and 1 in Group II
Deceptive Labeling, Branding, Marking or Packing	59 in Group I and 2 in Group II (*)

(*) Trade-Practice Conference Rules of the Federal Trade Commission (1919-1936): A classification for comparison with the Trade-Practice Provisions of NRA Codes by S. P. Kaidanovsky. Work Materials No. 54, Trade Practice Study Section, National Recovery Administration, March 1936.

Another activity of the Federal Trade Commission is of considerable interest to the ultimate consumer. This is the check which the Commission exercises over printed and radio advertising.

During the year ending June 30, 1936, the Commission examined 96,939 printed advertisements, among which 9,074 appeared to contain false or misleading information. Of these, 1865 served as a basis for prospective cases.

In radio advertising the Commission examined a total of 337,445 commercial scripts, of which 19,574 were marked as containing representations which appeared to be false or misleading. From these scripts 1,314 were chosen for further review and procedure.

During the year the Commission took corrective measures in 883 cases involving false or misleading advertising in the radio and connected fields. (*) In its Investigating and Legal Divisions the Commission has taken corrective action in many hundreds of additional cases of misrepresentation.

Many general investigations and studies have been made by the Commission in which the consumers' interests are very large. There are, for example, the "Sale and Distribution of Milk and Milk Products" investigation recently conducted by the Commission under Congressional resolution; the Electric, Gas and Utilities investigation, to which may be traced large rate reductions to consumers throughout the country; Commission's investigation of Competition and Profits in Bread and Flour (1928, Senate Document 98; 70th Congress, 1st Session); and many others.

(*) Annual Report of the Federal Trade Commission for the Fiscal Year ending June 30, 1936, page 106 et seq.

FOOD AND DRUG ADMINISTRATION (*)

U. S. DEPARTMENT OF AGRICULTURE

The Food and Drug Administration, organized on July 1, 1927 is administering a group of acts enforced by the Department of Agriculture that are designed primarily to promote purity and truthful labeling in certain commodities essential to the public health and the economic welfare of the Nation.

The following seven acts are administered and enforced by the Food and Drug Administration:

1. Food and Drugs Act
2. Insecticide Act
3. Caustic Poison Act
4. Naval Stores Act
5. Tea Act
6. Imported Milk Act
7. Filled Milk Act

Food and Drugs Act

The Food and Drugs Act of 1906 and subsequent amendments prohibits commerce in adulterated or misbranded manufactured or natural foods, beverages, stock foods, remedies, drugs, and medicines.

(*) The Food and Drug Administration of the United States Department of Agriculture; Miscellaneous Publication No. 48.
Revised January 1936.

The Department of Agriculture formulates definitions and standards for food products as a guide for the officials of the Department in enforcing the Food and Drugs Act, and for manufacturers who wish to comply with the law. These definitions and standards are printed in Service and Regulatory Announcements, Food and Drug No. 2. These are standards of identity, which are the lowest standards of quality, legal in interstate commerce. Anything below these standards if sold under the unqualified name of the product is presumably adulterated or misbranded. These standards of identity should not be confused with standards of quality or grade.

For the purpose of setting up definitions and standards in the enforcement of the Food and Drugs Act there has been established a Food Standards Committee consisting of representatives of the Food and Drug Administration, the Association of Official Agricultural Chemists and the Association of Dairy, Food and Drug Officials of the United States. The definitions and standards set up by the Food Standards Committee are purely advisory, or administrative, and have none of the force and effect of law. There is, however, a legislative standard for butter, for purposes of the Food and Drugs Act, enacted by Congress in 1923. Under the Food and Drugs Act, the legal standards for drugs are those set up by the United States Pharmacopoeia and the National Formulary.

An amendment to the Food and Drugs Act (The McNary-Mapes Amendment passed in 1930) authorizes the Secretary of Agriculture to set up a minimum standard of quality, condition and fill

of container for canned foods, and to prescribe clearly informative labeling on each product not meeting its minimum standard. Such minimum standards have been established for the following eight canned fruits and vegetables: peaches, pears, apricots, cherries, tomatoes, peas, dry peas and mushrooms.

Canned meat products and canned milk are excepted by the provisions of the McNary-Mapes Amendment.

Insecticide Act

The law sets up definite standards for only two insecticides: Paris green and lead arsenate paste. It is interesting to note that since the law was passed the lead arsenate paste has been largely superseded by the powder. The law provides that if the product contains any inert ingredients, the label must state either the correct name and percentage amount of each and every inert ingredient, or the correct name and percentage amount of each and every active ingredient, and the total percentage of inert ingredients.

The law also provides that the label shall not bear any statement, design, or device regarding the article which shall be false or misleading in any particular, and further, that a product intended for use on vegetation is adulterated if it contains any substance which shall be injurious to such vegetation.

The Caustic Poison Act

The Caustic Poison Act requires poison labels on certain caustic poisons frequently used in the household, as well as directions for treatment in case of injury from the contents of the package.

The Naval Stores Act

The Naval Stores Act sets up definite grades for rosin and requires that all rosin be sold under these grades. The grading may be done by any agency--Federal, State, local or private--but sale in interstate commerce of misgraded rosin is an offense under the law. A Federal inspection service is authorized by the Act, available at the request and expense of the producer or other party desiring it.

In the case of turpentine, the Act does not authorize the grading of turpentine but requires that the various kinds of turpentine be sold under the names specified in the Act; in other words, it prohibits the sale of mixed turpentine.

Tea Act

The Tea Act authorizes the annual promulgation of Federal standards of quality, purity and fitness for consumption of all tea imported in this country.

Import Milk Act

The Import Milk Act sets up rigid requirements for controlling the quality of imported milk and cream.

The Filled Milk Act

The Filled Milk Act prohibits interstate commerce in filled milk.

HOME ECONOMICS EDUCATION SERVICE

OFFICE OF EDUCATION

U. S. DEPARTMENT OF INTERIOR

Home Economics Education Service

The Home Economics Education Service of the United States Office of Education has for its specific aim the improvement of home and family life in the nation through instruction in home economics in the public schools. The program is organized to meet the needs of youth in full-time school, and youth and adults out of school.

The Home Economics Education Service cooperates with the States in developing these instructional programs on the basis of responsibilities involved in the conduct of homes and family life such as (a) feeding, clothing and housing of families; (b) management of time, effort and money; (c) care and development of children; (d) family and social relationships; and (e) the consumer-buying responsibilities of all of these phases of the homemaking program. There are several ways in which the cooperative service is carried out:

One form of annual service is the Regional Conference for State Supervisors and Teacher Trainers in each of the four regions conducted by the four Regional Agents. These are working conferences in which committee groups do concentrated work upon problems of current importance. The work of the Central Regional Conference group on Consumer Education will serve as an illustration.

At the 1934 conference Consumer Education was introduced as a subject for study, and a small group worked for two consecutive days under the guidance of a specialist in the field of Economics of the Family. The problems given special consideration were (a) the groups to whom consumer-buying should be introduced, (b) the objectives for such teaching, and (c) the methods to be used. The work of this Regional Conference served as the background for the work of the committee that was active until the next annual conference.

The second conference in 1935 set up (1) Criteria and Suggestions for Maintaining Acceptable Community Relationships During Consumer-Buying Teaching, (2) Techniques and Criteria to Aid the Teacher in Doing Effective Consumer-Buyer Teaching, and (3) Criteria and Suggestions for Reference and Illustrative Material.

In 1936 the third annual report of the working committee presented a "Summary of Commodities and Services Purchased by 937 High School Pupils Enrolled in Home Economics Classes". This report helped to show the wide extent to which high school students assume buying responsibilities in their homes and to enable the Supervisors to encourage teachers within their States to make adjustments in their teaching programs to include work on this phase of homemaking responsibility.

Through these and other cooperative efforts of Administrators, Supervisors, Teacher Trainers and members of the U. S. Office of Education staff, increased emphasis has been given to Consumer Education in the Teacher Education program so that teachers become increasingly better prepared to teach such work to school and adult groups.

The Home Economics Education Service also cooperates with the States in speaking at State Educational meetings and through participating in State conferences to which home economics teachers come for intensive work for professional growth.

A third type of service given by the members of this staff is the preparation of teaching materials. "Consumer-Buying in the Educational Program for Homemaking" is a compilation of suggestions for teachers of homemaking in secondary school and adult classes. The section of this bulletin offering Suggestions for Consumer-Buying at the Secondary School Level gives helpful illustrations of the general problems involved, and the outcomes to be expected. Contributions of the different high school subjects to consumer-buying are discussed and suggestions are given for bases for determining emphasis in consumer-buying as well as possible programs to present to eighth, ninth, and eleventh grade pupils. Another section presents suggestions for Consumer-Buying Education for Adults and includes aids for program planning in a community, adapting methods to adult needs and program possibilities.

Part II of this bulletin includes a wide variety of outlines and source materials classified about the fourteen Major Objectives recommended for consideration in the Educational program.

The most recent publication is Miscellany 1910 "Illustrations of Tests for Evaluating Instruction in Some Phases of Consumer-Buying". The illustrations included in this miscellany were developed by a graduate student and describe types of tests which may be used in helping students develop judgment in buying toys for children, buying household equipment, buying home furnishings, buying cotton fabrics and dresses, and buying canned goods.

A third publication prepared by the Home Economics Education staff is "Consumer Education: Supplement to the Sixteenth Annual Regional Conference Reports of the North Atlantic, Southern, Central and Pacific Regions, Home Economics Education."

MARKETING DIVISION
AGRICULTURAL ADJUSTMENT ADMINISTRATION
U. S. DEPARTMENT OF AGRICULTURE

The Agricultural Adjustment Act authorizes the regulation by grade or size of shipments of certain commodities, mostly fruits and vegetables, through marketing agreement programs.

Because of the perishable character and the high cost of marketing of many of these commodities, supplies frequently become excessive and depress prices to such an extent that producers receive little or no return for their entire production cost. At such times the price of certain less desirable grades or sizes may decrease so low that it will not cover even the cost of harvesting, packaging, and marketing the product. The marketing agreement programs endeavor to prevent this loss by limiting shipments to those grades or sizes which will sell at high enough prices to reimburse producers for at least the cost of marketing.

For example, the former practice of shipping cull grapefruit and oranges from the State of Florida has been stopped by such a program. Generally similar provisions have been in effect during the past year for Southeastern watermelons, California deciduous fruits, Washington and Colorado vegetables, and several new

agreements are now in process of development for other commodities. Walnuts can only be shipped if the nuts are of a merchantable grade.

Through such agreement programs the consumer will have available an adequate supply of the more desirable grades and sizes of products, but the producer will be protected against depressed prices or actual loss as a result of shipment of grades or sizes which will not sell for enough to return the cost of marketing.

NATIONAL BUREAU OF STANDARDS

U. S. DEPARTMENT OF COMMERCE

The National Bureau of Standards, of the Department of Commerce, is the principal standardizing agency of the United States Government. The activities of the Bureau consist of research and testing relating to the development of fundamental, scientific and engineering data on materials, processes and devices in industry and science. (*)

(*) Letter Circular No. 209, National Bureau of Standards

The Bureau does not test and report on specific brands of consumers' goods, as such activity has never been authorized by Congress. (*). Much of the work of

(*) "Services of the National Bureau of Standards to Consumers"; a paper by Dr. A. S. McAllister, National Bureau of Standards.

the Bureau, however, may be of benefit to ultimate consumers through the economics introduced in manufacturing processes, resulting in lower retail prices, and through standardization of parts used by consumers.

The over-the-counter buyer is most interested in the following programs having to do with standards and labeling in the National Bureau of Standards:

1. Simplified Practice Recommendations
2. Commercial Standards
3. Certification Plan
4. Self-Identifying Quality-Guaranteeing
Labels (Labeling Plan)

Simplified Practice Recommendations, which are formal programs by means of which simplified practices are put into effect, are established by the National Bureau of Standards after acceptance by producers making 65% or more of the total volume of the product. About 165 Simplified Practice Recommendations have been issued to date. Acceptance by industry of such Recommendations produces considerable savings to manufacturers and dealers through the smaller inventories needed, and in the reduction in the number of varieties, sizes, shapes, and types of merchandise. Acceptance of the Recommendations is purely voluntary on the part of any industry member.

A typical Simplified Practice Recommendation affecting the ultimate consumer is that for Face and Common

Brick, S.P.R. 7. As a result of the acceptance of this Recommendation, three sizes of brick were agreed upon, eliminating seventy-three brick size variations previously in use.

Simplified Practice Recommendations are particularly valuable to the consumer through the economies which they offer in the replacement of used parts. For instance, with sizes, shapes, dimensions and construction details standardized, the house-owner finds replacements easy. Without such standardization the whole hot-water or steam piping system in a house might have to be replaced due to the need of a single unobtainable part.

Commercial Standards, or commodity standards, are specific limitations below or beyond which the grade, quality, composition or dimensions of a commodity shall not be allowed to fall. (*) These Standards are developed,

(*) The Commercial Standards Service and Its Value to Business. (CSO-30) Publication of the National Bureau of Standards, Washington, D. C.

usually at the request of industry, through committees representing industry, the Government and the consumer. After acceptance by at least 80% of the industry affected,

the Commercial Standards are established by the Bureau. The use of Commercial Standards is entirely voluntary on the part of industry members, as well as distributors and consumers.

Up to the present sixty such Commercial Standards have been established. An example of such a Standard of interest to consumers is CS 12-35 for Fuel Oils. This Standard specifies the characteristics of different grades of fuel oil suitable for domestic heating furnaces.

The Certification Plan and its application to Federal specifications and Commercial standards is the third program of interest to consumers. This Plan is thus described by the Bureau of Standards in part:

"The Certification Plan consists in the compilation and distribution by the National Bureau of Standards, of lists of sources of supply of commodities covered by certain selected Federal Specifications and Commercial Standards. These lists contain the names of firms who have indicated their willingness to certify to purchasers, upon request, that the material supplied by them on contracts based on the selected specifications and standards does actually comply with the requirements and tests thereof and is so guaranteed by them." (*)

(*) The Certification Plan; Its Significance, Scope and Application to Selected Federal Specifications and Commercial Standards. National Bureau of Standards publication.

These lists, to which additions are made from time to time, are distributed to tax-supported agencies (Federal, State, County and Municipal) and to all others upon request.

It must be pointed out that the application of the certification plan to Federal specifications or commercial standards is necessarily limited to large contract buying, such as purchases made by the Federal Government which in many instances is not a typical ultimate consumer. The nature of the Government's needs, as represented by Federal specifications, and those of the over-the-counter buyer are not the same. Commercial standards, however, cover goods more frequently used by commercial consumers and intermediate manufacturers.

Some of the benefits derived by the large-quantity purchasers from using nationally-recognized specifications under the certification plan can be passed along to the "over-the-counter" buyer (the non-specifications-using public) by the widespread application of the labeling plan outlined below, which is based on certified compliance with nationally-recognized specifications.

A fourth service of interest to consumers inaugurated by the National Bureau of Standards is the self-identifying, quality-guaranteeing labeling plan just referred to. (*)

(*) Labeling Plan - A publication of the National Bureau of Standards.

In accordance with this plan, a firm desiring to bring effectively to the attention of the "over-the-counter" buyer at the time of making a purchase, commodities which it is willing to guarantee as complying with the requirements of certain nationally-recognized specifications or standards, places on the individual commodities or their containers, labels which definitely identify both the specification and the manufacturer or the trade association which holds itself responsible for the guarantee.

An example of a Federal Specification suitable for quality labeling is that for bleached cotton sheets, Federal Specification DDD-S-281. (*)

(*) A complete list of Federal Specifications may be found in Federal Standard Stock Catalog, Price List No. 75, obtainable from the Superintendent of Documents, Washington, D. C.

This specification covers the kind of material, the size, weight, thread count, breaking strength, hems, and stitching.

The labeling plan is capable of a considerable expansion into the realm of "over-the-counter" goods.

PUBLIC HEALTH SERVICE
U. S. DEPARTMENT OF THE TREASURY

Standards Formulated for the Protection of the Consumer

The United States Public Health Service is not charged with the establishment of standards for products offered in commerce for direct purchase by ultimate consumers. However, the several functions of the Service involve the formulation of many standards for the protection of the public.

In only one instance is the Public Health Service charged with the control, as well as the standardization of products--that is, the control of biological products.

By an Act of Congress in 1912, the Public Health Service was given supervisory control and licensing of the manufacture of biological and analogous products used in the prevention and treatment of diseases, to insure safe and standard products. These are not ordinarily purchased by the ultimate consumer, but are dispensed by State and local departments of health, hospitals, clinics, and private physicians. However, these dispensing agencies depend upon the United States Public Health Service to insure the purity and strength of such products, and especially the standards of manufacture. Standards of potency, purity and manufacture are set up by the Public Health Service, and it is this agency's function to see that these standards are maintained, otherwise such products may not be sold in interstate commerce.

The products so controlled include the various vaccines, serums, antitoxins, arsenicals, and similar preparations. Vaccine virus for the prevention of smallpox, diphtheria toxoids, typhoid vaccine, antipneumococcus serums, rabies vaccine, and scarlet fever serums are among the familiar products standardized by the Public Health Service. The drugs used in the treatment of syphilis, commonly referred to as the arsenicals, are also standardized, as well as insulin, so important in the treatment of diabetes. In the latter case, the ultimate consumer is quite apt to purchase the product direct.

In the case of certain biological products, the manufacturer sends samples of every lot to the National Institute of Health, the great laboratory of the Division of Scientific Research, in Washington. Here the samples are analyzed, and then are injected into laboratory animals. If the animals die, or are not found to be protected against the disease in the case of preventive products, or if the samples do not contain the exact proportion of ingredients as stated, the whole lot must be destroyed.

Since the United States Public Health Service is responsible for preventing the interstate spread of disease the Secretary of the Treasury has promulgated Interstate Quarantine

Regulations governing the travel of persons suffering from communicable diseases, providing for certification each year of sources of drinking water supply used by carriers, and covering other phases of sanitation that may be factors in the interstate spread of disease. Standards for drinking water used on interstate carriers have been set up and those have been quite generally adopted as standards for public water supplies.

The Public Health Service on request acts in consulting capacity to State Departments of Health on all matters of health and sanitation. It also acts regularly in consulting capacity in matters of sanitary engineering and sanitation to many of the federal agencies such as the National Park Service, Indian Service, Bureau of Prisons, Lighthouse Service and Procurement Division of the Treasury Department and upon request to other federal agencies. These activities affect the public insofar as water supplies, milk supplies and general sanitation are concerned.

A Standard Milk Ordinance and Code has been established by the Public Health Service for voluntary adoption by individual municipalities. The Milk Ordinance requires the grading of pasteurized and raw milk sold in the community, with the provisions that a community may also require the pasteurization of all milk sold in the municipality. Each year the Service studies the operation of the Standard Milk Ordinance in those communities where it has been adopted, and determines the degree of compliance in terms of a numerical rating.

The Public Health Service Standard Milk

Ordinance and Code is of value only to those consumers whose communities have adopted the code, but to these it is of inestimable value in providing protection from unsafe milk supplies.

Other standards formulated by the United States Public Health Service for the guidance of State departments of health, and in cooperation with them, include: rural screening of houses for the prevention of malaria; construction of sanitary outdoor toilets and septic tanks; rat-proofing of dwellings and other buildings; and the construction of rural water supplies--wells, cisterns and the like. These standards are in no sense compulsory, and the construction of such facilities must, in every case, conform to the requirements of the State department of health. The approved plans of the Service are issued to State health departments for information only.

In 1937, a cooperative agreement was reached between the Federal Housing Administration and the United States Public Health Service with all State health authorities for setting up standards of domestic water supply and sewage disposal. The standards set up by the several States will be enforced in all subdivisions or housing developments under the Federal Housing Administration. The agreement is designed to protect the low-priced-home owner from inadequate, poorly constructed water supplies and insanitary cesspools. Such facilities in Federal Housing developments will be subjected to strict inspection and certification.

TECHNICAL DIVISION
FEDERAL HOUSING ADMINISTRATION

The Federal Housing Administration as established by the National Housing Act which was passed by Congress in June, 1934, insures mortgages when made by private lending agencies upon one- to four-family dwellings and large scale housing projects. By the terms of this Act the mortgages for the individual dwellings are limited to \$16,000 representing not more than 80% of the appraised value. The mortgage must be amortized in equal monthly payments extending over a period of not more than 20 years, the monthly payment including interest on the declining balance, the amortization, apportioned payments of taxes, risk insurance, mortgage insurance and such permitted service charges made by the lending institution. Mortgages on large scale projects are limited to \$10,000,000, the terms of which are established at the discretion of the Administrator, in accordance with the particular conditions as set up for each project.

The purposes of the National Housing Act are to encourage lending agencies to make mortgage loans on residential properties, by protecting them against loss through the establishment of an insured mortgage fund, to encourage construction and to raise the standards of housing.

The following publications have been provided to help encourage the production of better homes and neighborhoods and will be of interest to the consumer as an aid in a better understanding of the problems faced in the process of purchasing or building a home:

- FHA Form No. 703 - "How to Have the Home You Want"
- Circular No. 2 - "Property Standards"
- Circular No. 5 - "Subdivision Standards"
- Technical Bulletin No. 1 - "Recent Developments in Dwelling Construction"
- Technical Bulletin No. 2 - "Modern Design"
- Technical Bulletin No. 3 - "Contract Documents for Small House Construction"
- Technical Bulletin No. 4 - "Principles of Planning Small Houses"
- Technical Bulletin No. 5 - "Planning Neighborhoods for Small Houses"
- Technical Bulletin No. 6 - "Mechanical Equipment for the Home"

FHA Form No. 703 - How to Have the Home You Want - describes briefly in non-technical language the insured mortgage plan, the process of making an application, and answers questions which may be raised in connection with it.

Circular No. 2 - Property Standards - contains a statement of the objectives and the purpose of property standards. It describes desirable characteristics which should be included in any dwelling with reference to its location, the planning of the plot and the dwelling, its equipment and construction. In addition to this it contains the conditions which determine the acceptability

of the property under the legal requirements of the National Housing Act and the general minimum requirements with which a property must comply if the mortgage is to be insured.

These general minimum requirements are further defined locally for each particular office and are issued as "Part VI, Circular No. 2, Property Standards". Part VI is available at local insuring offices only.

In addition to this the construction requirements listed in "Property Standards", Circular No. 2, are defined locally for each insuring office and are available from these offices in the circular entitled "The Minimum Construction Requirements."

Circular No. 5 - Subdivision Standards - is primarily of interest to those who wish to subdivide land for sale or produce housing for the market. It is, however, available to those consumers who are interested in learning what are considered the essential factors in the planning of subdivisions and in the control of the use of these areas to make them sound, stable neighborhoods.

Technical Bulletin No. 1 - Recent Developments in Dwelling Construction - contains a survey of the general field of prefabrication as applied to dwelling construction together with a list of concerns which are engaged in building prefabricated houses or structural systems. This bulletin is available at the local insuring offices and from the Washington office of the Administration.

Technical Bulletin No. 2 - Modern Design - contains a discourse on the general subject of modern design as applied to dwellings with particular reference to its prospect for future development, its underlying principles and the consideration of it in relation to mortgage security. This bulletin is available at the local insuring offices and from the Washington office of the Administration.

Technical Bulletin No. 3 - Contract Documents for Small House Construction - emphasizes the importance of well drawn and complete contract documents in the building of a home. It further describes these documents and those things which they should contain together with, where possible, examples of typical documents. This bulletin is available at the local insuring offices and from the Washington office of the Administration.

Technical Bulletin No. 4 - Principles of Planning Small Houses - is a treatise resulting from a study made by the Administration of the possible economies which may be made effective in the design of small houses in an effort to reduce their cost. It treats generally with the construction and equipment of small houses and includes 5 illustrative cases to demonstrate and illustrate the principles evolved as a result of this study. It will be of particular interest to those who wish to design a house costing less than \$5,000. This bulletin is available at the local insuring offices and from the Washington office of the Administration.

Technical Bulletin No. 5 - Planning Neighborhoods for Small Houses - contains a discussion of the need for properly planned neighborhoods, the manner in which they may be produced and the various factors which must be considered in the planning of residential neighborhoods. It will be of interest to the consumer primarily in that a knowledge of these factors will permit a better selection of the location of a future home. This bulletin is available at the local insuring offices and from the Washington office of the Administration.

Technical Bulletin No. 6 - Mechanical Equipment for the Home - contains an analysis of the problem presented in selecting the equipment for a home. It describes and analyzes in a not too technical way the various types of equipment and emphasizes the need for a rational approach toward the problem of its selection particularly with reference to a proper relationship between the costs of the structure and the equipment, its first cost and the maintenance costs. This bulletin is available at the local insuring offices and from the Washington office of the Administration.